

it end? Do we end up with several companies owning almost all the radio stations? In one of our largest cities, two companies will bill over 80 percent of all the billing from radio stations—two companies. Is that competition? I don't think so.

I raise the question because I intend to meet with the FCC and send them a letter and meet with others. I don't mean to be pejorative with Clear Channel. I've never met with them, but they are the largest group in radio ownership. They were approved for the merger with AM/FM. They have well over a thousand stations. Where does this end? Is it good for this country to demolish the notion of localism in broadcasting? I don't think so. I don't think it is good for television or radio. These are public airwaves and they attach to it, in my judgment, the responsibility of certain kinds of public good that must be presented by broadcasters when they accept the responsibility of using the airwaves.

So I raise that question today, and I intend to visit with the National Association of Broadcasters, and especially with the Federal Communications Commission, to ask them if this is really what was intended, is this what Congress wants, and is it something that we think marches in the right direction? Frankly, I don't think so. I hope we can discuss this as we turn the corner next year and talk about public policy and whether we think concentration of radio and television stations is something that should alarm all of us. I believe it should.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAIG. Mr. President, I understand we are in morning business.

The PRESIDING OFFICER. That is correct.

Mr. CRAIG. I ask unanimous consent to speak for the next 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

SOCIAL SECURITY

Mr. CRAIG. Mr. President, my colleague from North Dakota has just left the floor. I was off the floor for a few moments, but I know he talked about the Presidential campaign and the proposal by the Governor from Texas to reform Social Security, especially for the young people of our country as it relates to their future participation in it and the amount of money they will ultimately pay into it versus that which they get out.

I thought I would come to the floor for a few moments to share with the Senate several experiences I have had over the last couple of years dealing with Social Security. About a year ago, I did a series of town meetings across my State called senior-to-senior. I invited high school seniors and senior citizens to come together in the same place to talk about Social Security.

Every time you go to a high school, one of the top two or three questions

asked is about Social Security. Now, my guess is that the average American would not believe a senior in high school would be that interested in Social Security. But they have probably heard their mom or dad saying you really ought to not plan on Social Security; it is certainly not going to be there when you get to be your grandparents' age. That has been a fairly standard refrain across America for the last decade. Why? Why would parents of today suggest to their young people not to expect to get a Social Security benefit? Largely because they have been told it would go bankrupt, that it would create so much liability that it could never pay for itself.

What I think they failed to recognize is that since the Social Security reforms of the mid-1980s, Social Security has been building a reserve trust fund and we are taking in more than we are paying out. But sometime in the near future—sometime in the future of the Senator from Idaho and the Senator from North Dakota—when we get to be Social Security age along with other baby boomers, there is going to be a peak of Social Security liability, or Social Security obligation. It will be some \$7 trillion-plus. That is a fact. We know that.

But we also know that the seniors of today and immediately tomorrow, at least for the next decade or two, are well protected because of the reforms we made in that system in the mid-1980s and the very dramatic tax increases that workers and employers have paid since that time. Social Security is strong today. But we didn't do it by cutting benefits very much, we did it by dramatically raising taxes on the working men and women of this country.

If you want to keep this cycle up, if you do not want to make it self-supporting, and if you do not want it to yield what the other annuities and private annuities are yielding, then you keep it up and you say to the young people: You are going to pay in hundreds of thousands of dollars of your wages in taxes, and for every dollar you put in during your lifetime, you are going to get only three quarters back.

Is that being very honest with the young people of America today? They are going to work all of their lives and put all of their money in, and they are going to be taxed at an even higher rate. And in return, even the likelihood of getting back a 5-, 4-, or 3-percent return just isn't going to be there.

Yet you can say to them: If you invest in private investment funds, the average return over the last 100 years invested in the industry of this country is about a 10-percent analyzed rate.

Young people aren't dumb. They are pretty darned bright. With today's Internet and their ability to calculate, to communicate, and to invest independently, they pretty well understand that what their parents are telling them has some truth, makes some sense.

Social Security may be there. But it is not a very good investment unless you are paying for your parents' retirement—or, should I say "enhanced income," because your parents paid for your grandparents. The only problem is that every senior in high school today can expect a 20-percent increase in their taxes over what their parents are paying today, when they get to be their parents' age, to fund the current Social Security system.

That is why Social Security has become a debate issue in this Presidential campaign. And it darned well should be. No responsible Presidential candidate is going to stand out there and say all is well. It is well for the immediate future—for the next decade or two. But for young people today to invest in this system without significant reform in it is not only bad policy, it is bad politics.

But I hope we reside on the side of good policy and ultimately good politics. It tends to go hand in hand.

It has been fascinating for me to watch the debate between Governor Bush and Vice President GORE, with GORE saying Bush is going to bankrupt Social Security and Bush suggesting that what GORE might do would simply increase the system's liability and increase the debt burden on future citizens. Where does the balance lie?

I really believe it is time for this Senate and this Government to investigate the opportunity to take a small piece of Social Security taxes and allow taxpayers to invest them in what we call personal savings accounts.

I always notice when the Senator from North Dakota or others talk about this issue, they only talk about investments in the stock market. But that is not Governor Bush's proposal. It was Bill Clinton who said invest it in the stock market.

What Governor Bush has consistently said for the last month is personal accounts invested somewhat like the Federal retirees have—like the Senator from North Dakota and the Senator from Idaho have, which means they don't invest their individual accounts in individual stocks. They have categories of investment that are high risk, moderate risk, and low risk. Yes, some of that money is invested in the stock market, because that is where you invest money—you invest it in the economy of this country—but some is also invested in private and government bonds and other less risky investments.

We all know the demographics. We will soon have a record number of seniors in this country. What we are suggesting is that, as we shift back and forth, as older people get older and younger people move into the system, that over the next few decades we transform the system; we adjust it. Over that period of time, we can create less dependency on the American taxpayer and as future retirees—if we adjust it properly—increasingly rely on their individualized account. That makes awfully good sense.

Here is what doesn't make good sense to me. When Vice President began to talk about his Social Security proposals—increasing benefits for widows, and increasing benefits for stay-at-home parents by attributing earnings to them while they stay at home—oh, did that sound like good politics in an election year. My guess is it is pretty good politics in an election year. But the question is, Is it good policy for the Social Security system? Does it keep Social Security stable? Does it keep it well funded? Or down the road does Mr. GORE—if he becomes President and long after he has left—create such a liability that the person who will be serving here from Idaho long after I am gone has to say to the young people and wage earners of this country that we are either going to have to cut your benefits or raise your taxes? My guess is that is exactly what is going to happen. Let me for a few moments suggest why.

Everybody wants to help moms and widows, especially during election years. But, Mr. President, let me suggest to you that Social Security is the wrong tool for that job.

The Gore Social Security surplus scheme would fail to provide meaningful assistance to the people they are targeting to aid. Worse, it would increase the Social Security's unfunded liability by almost a third; reduce Social Security trust fund balances by hundreds of billions of dollars; and simply accelerate the cash-flow problem in which Social Security will find itself in the near decades if we don't make reasonable reforms.

Social Security is one of the few Federal programs that already takes stay-at-home parents into account. In the current system, married spouses generally receive about the same Social Security benefits regardless of whether they worked full time, part time, or took a break in child rearing and did not work at all.

For example, in 1996, women who received Social Security benefits based upon their own work record received an average of \$675 in benefits while women whose benefits were based on their husbands' work record received \$569. What I am saying is women who stayed at home received almost the same benefit.

Let's remember that Social Security is not designed to be the sole source of retirement income. It was designed to be supplemental income, and it should be understood to be just that. Nevertheless, for many seniors, Social Security is their sole source of income. For those seniors, our first priority should be to ensure we don't further endanger the program by adding additional obligations on top of the ones we already cannot afford.

If the Vice President wants to help mothers, why didn't he embrace the tax relief the Senate Marriage Tax Relief Act would have provided? That would have been immediate relief. Instead, his proposal takes a program already under financial stress, and it

would put it, in my estimation, at substantially greater financial risk.

What does it cost? Everybody has seen what the Vice President has proposed for Social Security. And yet, while the short-term cost of Governor Bush's proposal has been discussed—there has been a trillion dollar figure floated around—Nobody wants to talk about what the Vice President's plan will cost.

This is what we believe and this is what others believe the Vice President's plan will cost. The Vice President said it would just cost a few billion over the next 10 years. While the Social Security Administration has not estimated the motherhood proposal, economist Henry Aaron offered a seat-of-your-pants estimate in *Slate Magazine* of about 0.25 percent of taxable wages. That is about \$150 billion over the next 10 years. Meanwhile, Vice President's GORE's proposal to increase widow's benefits would constitute about 0.32 percent of taxable wages, according to the report of the 1994 through 1996 Advisory Council on Social Security, Volume 1: "Findings and Recommendations." That translated into about \$166 billion over the next 10 years.

Now the Vice President has put a limit on his benefits so it would cost maybe a little bit less than that. The bottom line is, if you spread this concept out over the lifetime of the beneficiary, we truly are talking about these proposals costing trillions of dollars. He doesn't propose to raise taxes. He proposes a finance scheme which simply advances the liability and expands the liability into future generations.

If you are going to raise benefits in Social Security, at least have the political integrity to propose a tax increase to offset the benefits so you don't stress out the trust funds beyond where they currently are and you don't create outyear liabilities.

But then again, how could you be all things to all people and propose this great benefit, if on the backside you looked the worker in the eye and said, "And now you are going to have to pay for it?"

So, once again, it is a Ponzi scheme. We shift a little around and we move a little over here. Now, the Governor from Texas has different approach. He clearly recognizes that by setting aside a couple of percentage points and allowing them to be invested within a fixed universe of investments, that we begin to build for the future of Social Security by compounding our investment income instead of compounding our liabilities and our debts by adding to the benefit structure.

If we are going to improve the condition of widows and spouses, let's do it in a way that is realistic and honest. If we want to use Social Security as that vehicle, then at least provide a revenue flow that effectively justifies those benefits in the outyears, the several hundreds of billions of dollars that ul-

timately the motherhood proposal and the proposal that relates to widow's benefits would cost. That is what we ought to be talking about. That is the fair way to do it.

The amount of new liabilities required under the Vice President's proposal is truly staggering. Some economists have suggested it is in the trillions of dollars. A trillion here, a trillion there adds up to be real money. In the past, those involved in public policy—and, more importantly, those involved in the electoral process—said that Social Security is off limits unless you are willing to increase benefits. Don't talk about new taxes, only add to the benefit structure.

Thank goodness, a few years ago Congress stopped that. We reformed Social Security, and we said we are going to leave it alone.

As a result, we stabilized it. We made the tough votes in the mid-1980s. We raised the taxes dramatically on the working men and women of this country—but we stabilized the system. So today, I say don't add benefits to that system unless you are clearly willing to offset those benefits by revenue flows.

The Governor is talking about an idea, a concept that he would work with the Congress of the United States. Recognizing we are in historic surpluses at this moment, there is a unique opportunity to reform the Social Security system so we can go to the young men and women entering the workforce in this country and say, in your lifetime, your Social Security annuity will amount to something very significant instead of getting back just three quarters for every \$1 you pay in.

For my parents, Social Security has been a tremendous benefit. For their parents, it was a windfall. For me, it will be about a break even for the amount of money I have invested my lifetime. For my children, unless we reform it as the Governor from Texas has proposed, it will be one very bad investment. I don't want to ask that of my children. Certainly the Senator from North Dakota and I are better thinkers than that. We ought to be able to come together to devise a system that doesn't create outyear liabilities of the kind the Vice President is proposing.

Those are the real issues. Sure, it is worthy of a Presidential debate. That is where it ought to be debated. Clearly, the facts and figures ought to be well established. At the same time, I am pleased there is a candidate out there who isn't willing to live in the shell of the past and the concept of a system that was crafted way back in the 1930s, under a Bismarckian plan that simply said it is going to work because you will never live out its benefit cycle. Thank goodness my parents will live it out. People are living longer.

Because of the demographics of this country today, it is critically important that the Congress develop the political will to reform Social Security,

to establish personal savings accounts underneath a governing body to ensure sound investments and the security of the system. That makes good sense to me. And it sounds, by the numbers out there, it is making even better sense to Americans.

I want my children to have a strong Social Security supplemental income system for them so they receive a healthy return instead of a three quarters for the dollar. That makes good sense. They can do it in the private sector. Why aren't we smart enough to design a plan so we can do it in the public sector?

I yield the floor.

Mr. DORGAN. Mr. President, this, I think, is the debate we ought to have in this country on the subject of Social Security. I am pleased to hear the Senator from Idaho describe the plan proposed by Governor Bush and describe the proposal by Vice President GORE on the issue of Social Security.

If you read history, you will find there are people for the last nearly 70 years who have predicted that Social Security won't work, will go broke, and won't be there when they retire. Decade after decade, people predicted that in every community around this country, especially the small towns of North Dakota.

There are people living better lives because the Social Security Program provided them something called "security." Does it provide for all their needs? No. But it is a bedrock security for their retirement years. They invested in it when they were working and now they have Social Security in their retirement years. The word "security" in Social Security is not some accident. People understood that the purpose of Social security is just that—security. It is the economic baseline of retirement, the one means of financial support that Americans can count on.

As I indicated, there are people who, every decade, have said the sky is falling with respect to this program. There are some who never supported this program in the first place. They wouldn't have supported Social Security because philosophically they didn't believe Government ought to do anything, and they didn't support Medicare because philosophically they thought the Government shouldn't do anything.

What would America be like today if we had an aging population without Medicare or Social Security? This country would not be as good a country as it is without those two important programs.

People are living longer and better lives. That has placed some stress on both Social Security and Medicare, but do not let anybody tell anybody else that the problem is that these programs do not work. These programs work and work well. People are growing older and living better lives in this country. This is a problem born of success.

Mr. CRAIG. Will the Senator yield?

Mr. DORGAN. I will be happy to yield, of course.

Mr. CRAIG. I know proper procedure, Mr. President, is to ask the question, but it is important to suggest this Senator did not say Social Security does not work. Quite the opposite. I believe it has worked.

What I talked about today is who pays for it because what the Senator from North Dakota is suggesting, I think—and I agree with him, the tremendous benefit that has come, but he has also seen the doubling and the quadrupling of taxes on the working people to pay for that benefit.

I suggest this to the Senator from North Dakota. I think it is important. CBO has just scored the Gore transfers within his plan. They have suggested those transfers are around \$40 trillion over the next 54 years. If that is true, 40 trillion bucks would have to flow out of other sources, such as the general fund, because we know the Vice President is not talking about a tax increase. The question is, How do you handle it? Do you create higher Government debt? Do you do direct investments? The Senate voted 99-0 against Government investments.

So the legitimate question in this debate is not whether Social Security has successfully benefitted current and past retirees. The Senator from North Dakota and I just flat agree that it has. Senator DORGAN and I know of too many cases of individual citizens who find that Social Security is almost their sole source of income. Thank goodness it is there. I am talking about is the growing tax burden on our children. We are imposing a 20-percent payroll tax liability on the young working men and women in this country and we have to be extremely cautious.

Mr. DORGAN. Mr. President, I reclaim my time.

Mr. CRAIG. Mr. President, \$40 trillion in 54 years. Where do we get it, and how do we handle it?

Mr. DORGAN. I reclaim my time. Mr. President, \$40 trillion—I do not know how big the school of the Senator from Idaho was. I assume he did not study a trillion, nor did I. There ought to be rules when one starts talking about trillions of dollars. If you extend it for two centuries, you can probably come up with hundreds and hundreds of trillions of dollars, but it is largely irrelevant.

The issue is this: We have a Social Security program and a Medicare program. Both of them have some funding challenges in the outyears—not next year, not in the next 10 years. For Social Security, it is well beyond the next three decades, but there are challenges.

Why do we have these challenges? This is good news. Let's not grit our teeth and wring our hands and wipe our brow over good news. People are living longer and better lives. Good for them and good for us. This is good news. This is born of success.

If you want to solve the Social Security problem and Medicare problem, go back to the old mortality rates. At the turn of the last century in 1900, if you

lived in this country, you were expected to live on average to age 48. Now people are going to live 30 years longer on average. That is good news. Good for us. That causes some difficulties in Social Security and Medicare. This is not a big problem. We can solve this problem.

Let me describe something the Senator from Idaho needs to know. The Senator from Idaho never did address the question of the \$1 trillion hole. He sort of went over it like: "Well, people say a trillion dollars but" and then went on.

If you are going to take money out of the current revenue base for Social Security and say to young people who are now working—you can use it for private accounts, then what happens to the estimated \$1 trillion over 10 years you took from over here which was to be used to pay benefits for current beneficiaries of Social Security?

I have served in this Congress with my colleague from Idaho and others. Over the years, we have put in place \$100 billion a year in incentives for private savings and private investments. We have SEPs. We have traditional and Roth IRAs and 401(k)s. We have them all, and more. We say to people: If you put some money away in savings under certain conditions, you will have a tax benefit, a tax credit, a tax deduction. We spend \$100 billion a year in reduced taxes by providing incentives for people to create and open private accounts, to invest in the stock market, and to invest in other things. We do that. I support it. I think it makes good sense for this country. But that is not the same as Social Security.

The word "security" ought to mean something. That is the bedrock, the foundation of retirement funds that we do as a country. The Senator from Idaho asks the question—I want to answer it—he asks the question about the issues that the Vice President has raised on the widow's benefit to surviving spouses and also of the issue of the motherhood penalty.

The Vice President proposes to solve those, which I think makes some sense. I assume the Senator from Idaho will agree that the issue of the widow's benefit, to increase the widow's benefit to 75 percent of the couple's previously combined Social Security benefit, makes sense. He knows and I know all kinds of retired women around this country living by themselves who are struggling mightily to make ends meet with a pittance in their assistance check, and we need to do better than that. The Vice President proposes we do better than that.

The Senator from Idaho asks: Where does he get the money? I will tell him where he gets the money. Then I will ask where does George Bush get the \$1 trillion because I would like to hear an answer to that.

Where does Vice President GORE get the money? He does not propose a massive \$1.5 trillion in tax breaks, most of which goes to upper income folks. He

proposes a smaller tax cut to working families and uses the difference to reduce the Federal debt. When we reduce the Federal debt every year, we have a surplus and will get to the point when we wipe out the indebtedness. When we wipe out the Federal debt, the third largest expenditure in the Federal budget, which is interest on the debt, will no longer exist. And that money which we now pay for interest on the Federal debt, the Vice President proposes be put into the Social Security system to help pay for the two issues the Senator from Idaho just described and provide increased solvency for the Social Security system. The answer is very simple. The Senator asks where does the money come from? It comes from reducing the Federal debt, eliminating interest on the debt as cost to the Federal budget, plowing that back into the Social Security system to help mothers, widows, and to increase and promote solvency in the system. That is the answer. It is a very simple answer.

Mr. CRAIG. Will the Senator yield?

The PRESIDING OFFICER. The Senator's time has expired.

Mr. DORGAN. Mr. President, I ask unanimous consent for 5 additional minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DORGAN. Mr. President, I appreciate the indulgence of the Senator from Iowa. I will try to finish before 5 minutes. I want to finish this point. The Senator from Iowa is on the floor and I know wants to speak. Let me finish this point because I think it is so important.

The difference in priorities here is a priority. I am not saying one candidate is a bad person and the other candidate is a good person. Those who aspire to be President of this country have different priorities. Governor Bush says he supports a very large tax cut right up front even before we have the surpluses. We have all these economists telling us we are going to have 10 years of surpluses. Most cannot remember their telephone numbers, and they are telling us what is going to happen in this country 8 years down the road. Nonsense.

We would be very smart to be more conservative than that. What we ought to do, as Vice President Gore suggests, is use a substantial portion of that estimated surplus to pay down indebtedness. If during tough times you run up the Federal debt, during good times you ought to pay it down. One of the advantages of doing that is you reduce the third largest item in the Federal budget—that is interest on the debt—and use that for another purpose. That is exactly the answer to the question the Senator raises.

Mr. CRAIG. Will the Senator yield?

Mr. DORGAN. I want to make one additional point. What brought me to the floor today was this discussion of \$1 trillion that is proposed to be taken from the trust funds of Social Security

that is now used to pay benefits to those who are now retired and to be used instead for private accounts for working men and women. My point is this: We already spend \$100 billion a year to incentivize private investment accounts. I am all for that.

In fact, as far as I am concerned, we can increase that and probably will. Vice President Gore suggests Social Security-plus to keep Social Security, do not threaten the base of Social Security at all, do not take money and divert it, but then on top of Social Security say we are going to provide even more incentives for those who want to invest in private savings accounts.

My point is this, very simple: When the issue of credibility is raised about all of these claims and counterclaims, there is a serious credibility issue of taking \$1 trillion out of the current trust fund over the next 10 years, \$1 trillion that would otherwise go into the trust funds to pay current benefits to those who are retired, and saying at the same time: It is available for private accounts for other people. As I said before, when you take book-keeping in high school or college, they do not teach you "double entry" means you can use the same money twice. Yet that is exactly what has happened with this proposal.

Mr. CRAIG. Will the Senator yield?

Mr. DORGAN. I will yield just for a moment.

Mr. CRAIG. For 1 minute only.

The Vice President starts the benefit, accrues the debt into the trust fund, and then you have an increased debt over in the trust fund of Social Security. An increased debt because the new benefits are going out.

On the other hand, I believe Governor Bush is proposing the following: He will take \$1 trillion out of a \$2.4 trillion surplus to create these personal accounts. It is not current money to pay for current programs. No. No. The Senator from North Dakota and I agree that under current law, and under current benefit rates, Social Security is building a trust fund surplus that will peak at \$2.4 trillion.

Therein lies the difference. Those are the facts. The Gore plan is a Ponzi scheme, Mr. President. It is a Ponzi scheme.

Mr. DORGAN. Let me reclaim my time. I am generous to yield and always yield when asked to yield. But this notion of a Ponzi scheme—the definition of "Ponzi," it seems to me, is a description that says: The surplus that is going to go into the Social Security system each year, for a while, is somehow available for some other purpose.

We have a deliberate surplus going into Social Security. Why? Because it is needed, as the Senator from Idaho knows, to meet the day when baby boomers retire. We are going to need that money.

What is going to happen is, if you follow his proposal, or the Governor's proposal, and you take that money out, when you need it later, it is not going to be there.

So I do not want anybody to stand up on the floor and say: Oh, yes, there is a surplus right now. By the way, that is unobligated. Somebody can come and grab that, and it will not matter. That surplus is delivered.

I happened to be on the Ways and Means Committee in the House when we passed the Social Security reform plan. We did it to deliberately create a surplus to meet the needs when the baby boomers retire.

When the Second World War ended, the folks came back from fighting for this country's liberty and freedom, and they created the largest baby crop in the history of our country. They are called "war babies." There was this outpouring of love and affection, I guess, and we had the largest baby crop in American history.

When that largest baby crop in American history retires, we are going to have a substantial need for all of the surplus we have designed to put into that trust fund now.

My point is, if you take that out now, by saying it is not obligated, that we do not need it, I just say you are wrong. You can stand up and holler "Ponzi" all you want.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. DORGAN. But you are wrong if you take that position.

Mr. President, I yield the floor.

Mr. HARKIN. Mr. President, I ask unanimous consent to be recognized for up to 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARKIN. I want to add to what the Senator from North Dakota is saying. I am sorry the Senator from Idaho has left.

Basically, the Senator from Idaho said Vice President GORE's proposals would—I do not know if he used the word "bankrupt," but they would destroy the Social Security surplus, et cetera.

I say to the Senator from North Dakota, the actuaries of the Social Security Administration did a study. They said the Gore plan that would apply the interest savings, improve the widow's benefits, and end the motherhood penalty, would, in total—when you take the total package—extend the Social Security trust fund solvency to over 50 years. That is from the actuaries themselves.

So if my friend from Idaho were here, I would make sure he heard that. Maybe he did.

EDUCATION IN TEXAS

Mr. HARKIN. Mr. President, today a very interesting release was made of a study on education in Texas by the Rand Corporation. I will read some parts from this.

I ask unanimous consent that the executive summary of the Rand Corporation's study that was released today be printed in the RECORD after my remarks.